

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF FLORIDA
3 MIAMI DIVISION
4 SPANISH BROADCASTING)
SYSTEM, INC.,)
5 Plaintiff,)
VS.) CASE NO.
6) 02-21755-CIV
CLEAR CHANNEL)
7 COMMUNICATIONS, INC. and)
HISPANIC BROADCASTING)
8 CORPORATION,)
Defendants.)

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10 VIDEOTAPED ORAL DEPOSITION OF
11 JEFFREY T. HINSON, VOLUME 1
12 JANUARY 23, 2003
13 -----

14 VIDEOTAPED ORAL DEPOSITION OF JEFFREY T. HINSON,
15 produced as a witness, duly sworn by me at the instance
16 of the PLAINTIFF, taken in the above styled and
17 numbered cause on the 23rd day of January, 2003, from
18 9:17 a.m. to 5:57 p.m., before JULIE C. BRANDT,
19 Certified Shorthand Reporter No. 4018 in and for the
20 State of Texas, at Baker Botts, LLP, 2001 Ross Avenue,
21 Dallas, Texas, pursuant to the Federal Rules of Civil
22 Procedure.

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3 Q. What -- who was the person from Montgomery
4 Securities who was the lead investment banker there?

5 A. It was probably Nick Stevens. Nick
6 Stevens or Nick Stevenson.

7 Q. And who was the principal analyst for
8 Montgomery?

9 A. Gordon Hodge.

10 Q. Did you have -- did you have discussions
11 with the five lead investment bankers who were involved
12 in that underwriting?

13 A. Yes.

14 Q. Did -- did you ever ask any of them or all
15 of them not to be involved in any future IPO's for any
16 other companies?

17 A. Can you repeat that question, please?

18 Q. Yeah. Let me try that a little
19 differently. Did you -- are you aware of whether any
20 one or all of those investment banking firms was
21 requested by someone involved in the underwriting for
22 either Heftel or Tichenor not to -- not to engage -- if
23 they wanted to stay involved in the transaction, not to
24 be involved in a future transaction for any other
25 company?

1 A. Can you repeat that first part, please?

2 (Requested material read.)

3 A. Yes.

4 Q. And what's your -- what's your
5 understanding on that subject?

6 A. It's -- what I recall is that Randall Mays
7 had an agreement with those underwriters that they
8 would not -- they would not underwrite business with --
9 or do business with Spanish Broadcasting Systems.

10 Q. Is -- what's your -- how do you come to
11 that understanding?

12 A. I think -- I'm going to have to hedge a
13 little here. I'm not quite sure whether Randall told
14 me directly or Mac told me.

15 Q. But you -- you weren't present when any
16 such conversation occurred between Randall and the
17 investment bankers?

18 A. No.

19 Q. Did you see any -- any documents --

20 A. Not that I recall. So I'm going to have
21 to say no.

22 Q. Did you see any documents that reflected
23 any such agreement, either, you know, documents between
24 the investment bankers and the issuer or Randall or any
25 memos or e-mails?

1 A. No.

2 Q. This was just something that either
3 Randall or Mac told you?

4 A. Yes.

5 Q. Was it -- was the -- was the purported
6 agreement limited to an SBS offering, as opposed to,
7 you know, other radio companies or other media
8 companies or other companies generally?

9 A. I'm not aware that it was other companies.

10 Q. Did you -- do you remember whether you had
11 any conversations with Mr. DeMott after you saw this --
12 this document that we've marked as Exhibit 108
13 concerning that document?

14 A. I talked to Harry when he was in the
15 business, so the answer would be yes, I have talked --
16 I did talk to him afterwards.

17 Q. Do you remember anything about this
18 particular document that you talked to Harry about?

19 A. I'd really have to read it and go through
20 the points frankly, so I'm --

21 Q. Let me ask a more general question.

22 A. Thank you.

23 Q. When you read an analyst -- I assume that
24 you read analyst reports on HBC regularly.

25 A. I do.

1 Q. And have you ever heard the word price gap
2 used to describe the difference between Hispanic radio
3 rates, ad rates and English language radio rates?

4 A. It's -- not necessary in that context, but
5 there is the concept of a gap, and it's typically --
6 what it is is you look at your ratings that you get in
7 the overall market against all radio stations -- so if
8 I have a 5 share of all radio listening in Los Angeles
9 and it's a \$100 million revenue market, what you would
10 like to have is at least \$5 million worth of revenues,
11 meaning that your revenue share of the overall Los
12 Angeles market equals your audience share in the
13 overall city of Los Angeles.

14 Q. And the difference between Hispanic radio
15 and English radio is that Hispanic radio is not as --
16 doesn't meet that standard as well as English radio in
17 the sense that Hispanic radio's advertising revenue
18 share is lower than its share of the listening
19 audience?

20 MR. CARLSON: Object to the form.

21 A. You've asked a lot in there, so I want
22 to -- I want to kind of think and go back to the basic
23 premise again. In a city we have -- L.A. -- let's just
24 use L.A. If you have 5 percent of the audience share,
25 okay, over everybody, and then you have 100 million in

1 revenues, then you would like to at least get to 5
2 million in revenues on that.

3 Now let's say you're at 3. Well, you
4 could then say, well, I'm not getting my fair share, my
5 revenue share ought to equal my audience share. It's
6 called a power ratio of 1. Well, it may be that you
7 just got the ratings, and it takes time for your
8 revenues to catch up with your ratings.

9 So you could have a differential in where
10 your revenues are relative to the audience share you
11 have against the whole market because of that. It
12 could be because your ratings go up so fast or your
13 ratings are high, you simply can't raise your rates
14 fast enough to make up for it.

15 Q. Has it been your experience that the power
16 ratings of Hispanic stations in Los Angeles and New
17 York have been lower than the power ratings of the
18 English language radio stations in L.A. and New York?

19 A. Well, in L.A., I think historically the
20 power ratios of the other stations in the market -- in
21 the city of L o Angeles have been higher. And it
22 really depends on the format. So if you're a news/talk
23 station, if you're -- you tend to have ratings on that
24 station that are maybe low, but your revenues may be a
25 lot higher because you've got a station that

1 advertisers really are looking for.

2 You may be able to achieve a revenue share
3 in excess of your audience share. And that took years
4 to get to, meaning that the news/talk format didn't
5 start out that way. It took a while to build up over
6 time so that they could have the kind of dynamics that
7 you see in a lot of the major cities on news/talk.

8 There are other stations that aren't able
9 at any given point in time of achieving revenues that
10 equal their -- their audience share. And, you know, I
11 would say historically for a lot of reasons, Los
12 Angeles has not been one that's performed very well in
13 that metric.

14 Q. Has the gap between Spanish language and
15 English language advertising rates in Los Angeles and
16 New York widened, stayed the same, or decreased over
17 the last five years?

18 MR. CARLSON: Object to the form.

19 A. It's varied a lot. And not the question,
20 but -- the difference between, you know, the revenue
21 opportunity out there for any station is dependent on a
22 lot of different factors. And so it's dependent on how
23 much -- what are the revenues in the market? Are the
24 revenues growing? And so depending on what's going on
25 there, the pie that's available for all broadcasters in

1 the city of Los Angeles changes.

2 So if you go from 100 to 110 million,
3 that's different than if you go from 100 to 120
4 million. That affects the total revenues available for
5 all stations in the city of Los Angeles. And then
6 likewise, it depends on -- if you're just talking
7 formatically, if we're talking about Hispanic targeted
8 formats, it depends on how many stations move into the
9 format and what their ratings are overall. So you
10 could have -- and I think we have seen over time in a
11 lot of our markets where the -- the shares that are
12 going to Hispanic marketing stations in any city have
13 increased as new entrants have entered the market.

14 That has an effect of -- when you multiply
15 kind of your overall audience share in a city that's
16 going to like an Hispanic targeted group of radio
17 stations times the amount of revenues, that just grows
18 the pie. And you just -- you just can't get it all at
19 one time. Sears is not going to allow you to raise
20 your rates in one year, you know, to what you think you
21 ought to be getting. It takes time. And they only
22 have so much of a budget on advertising. So it takes
23 time to get your rates where you need to be.

24 Q. Did I understand you to say a few
25 questions ago that the Miami Hispanic market does --

1 performs differently relative to the English radio
2 market in advertising than does the New York or L.A.
3 markets?

4 A. Every -- the answer is yes, the FM's in
5 particular. All the FM's, I think, do very well in.

6 Q. In --

7 A. I'm sorry?

8 Q. I didn't mean to cut you off. Were you
9 finished with your answer?

10 A. No, but go ahead and cut me off.

11 Q. No. You get to complete your answer.
12 That's the way it works.

13 A. All right. Now I've forgot where I was.
14 Could you -- we were talking about Miami?

15 Q. Right.

16 A. Miami, the -- I think the FM's of the
17 Miami stations have done a better job in the sales
18 staffs in those markets of generating revenue shares
19 that are higher than their audience share or very close
20 to it in the Miami -- in the city of Miami.

21 And we've seen it in the State of Texas
22 and sometimes in Chicago and other places where over
23 time as these stations get their -- not reach maturity,
24 but as they -- they've been in the format long enough,
25 you begin to achieve, you know, parity on where your

1 revenues -- revenue share would equal your audience
2 share and --

3 Q. The -- sorry.

4 A. No. Go ahead. I'm sorry.

5 Q. Do you attribute the nature of the size of
6 the Hispanic community in Miami relative to the general
7 population as a factor in leading to Miami Hispanic
8 oriented radio stations having achieved better
9 advertising rates compared to English than New York or
10 Los Angeles?

11 A. Not necessarily. There's so many factors
12 that go into determining whether or not a station's
13 going to be successful in any city doing that. So I'm
14 not sure you can just attribute it to the fact that the
15 overall Hispanic population in Miami is higher than
16 some other cities, but it certainly is -- would be one
17 of the factors.

18 Q. If you turn to the page that's got number
19 4 on the bottom left, and in the right-hand column
20 under the subhead New York, the second paragraph there
21 begins, It is unlikely that Heftel will be able to
22 enter New York on the FM dial unless it manages to
23 purchase or merge with SBS. Do you see that?

24 A. I was looking in the lower -- did you say
25 the lower right-hand -- oh, here we are. Excuse me.

1 of the right-hand column, in the middle of that it
2 says --

3 A. Page 1.

4 Q. Page 7, right-hand column, first
5 paragraph. It's the paragraph that begins we believe.
6 And the second sentence of that begins a consolidated.
7 Do you see that?

8 A. The right-hand side, page 7?

9 Q. Yeah. First --

10 A. We believe -- first paragraph. It's up
11 here. Excuse me.

12 Q. So I'm interested in -- I want to read the
13 second sentence of that paragraph which says, A
14 consolidated Hispanic broadcasting investment is truly
15 a blockbuster, yet no one but a CCU could put it
16 together. Do you see that?

17 A. Yes, I do.

18 Q. And you understand CCU refers to Clear
19 Channel?

20 A. Yes.

21 Q. Do you agree that no one but Clear Channel
22 could have put together the merger of Heftel and
23 Tichenor?

24 A. Not necessarily, but I think that they
25 were really uniquely positioned to do it.

1 something Mac told you or something you heard from
2 someone at Clear Channel?

3 A. Primarily so. I mean, I'd have to kind of
4 think through, but, I mean, for the most part it just
5 wasn't -- it wasn't something I was spending a lot of
6 time on. That's for sure.

7 MR. CARLSON: Is this a good time for
8 a lunch break?

9 MR. DWYER: Good time for a lunch
10 break.

11 THE VIDEOGRAPHER: We're off the
12 record, 12:41.

13 (Lunch break taken.)

14 THE VIDEOGRAPHER: We're back on the
15 record. It's 1:41. This is the beginning of tape
16 number 3.

17 Q. Mr. Hinson, before we took our lunch
18 break, I had asked you some questions about the \$40
19 million loan to Tichenor Media by Clear Channel and the
20 \$10 million option that was assigned to Heftel by Clear
21 Channel for KSCA. Have you ever -- have you ever heard
22 of the term Clear Channel's halo effect?

23 A. I have heard the term halo. I think it
24 was in the complaint I read, but you have a question?

25 Q. Well, other than -- other than in the

1 complaint, have you heard either the phrase HBC's halo
2 or Clear Channel's halo effect?

3 A. I think that -- well, I've heard the -- I
4 think I have.

5 Q. And what have you understood that term to
6 mean?

7 A. What's my understanding? Okay. I think
8 that my understanding of it is that, you know, Clear
9 Channel put Tichenor and Heftel together and was
10 helpful in getting us, you know, on the road with this
11 public offering that closed in February of '97. And I
12 think like a lot of -- I don't want to overgeneralize,
13 but when you have a larger company that is an equity
14 owner in a company such as ours, it just -- it -- they
15 had a very good reputation. And I think it just kind
16 of spreads over to you or to us.

17 And so I think it really -- you know, the
18 relationship, particularly on the equity side with the
19 market, has been beneficial. And I think that, you
20 know, Mac and I didn't have those -- those
21 relationships on the street. So I think that, you
22 know, if I had to generalize, that's what I would think
23 it would mean to me.

24 Q. In what ways do you mean it's been
25 beneficial?

1 A. Well, I think that when they -- when they
2 handed the company off to us to run and merge and
3 stepped back, it's -- you know, people thought well of
4 the Mays and Clear Channel, and they said, well, these
5 guys must be good guys, and I think it's helped us.

6 Q. You mean people have thought well of the
7 Mays family and Clear Channel; and, therefore, if the
8 Mays family *is* entrusting you with these
9 responsibilities, the people who think well of the Mays
10 and Clear Channel at least start with the presumption
11 that you must be decent businessmen?

12 A. Yes.

13 Q. Has it helped you in your access to the
14 capital markets that you had the association with Clear
15 Channel?

16 A. Well, I think, as I said, the stock
17 offering that -- that we did in February of '97, it
18 certainly did. And then as we matured as a company, it
19 was -- you know, it's been less of -- less of an
20 effect, but certainly starting off it did.

21 Q. And as you matured, it still had some
22 effect?

23 A. You know, I would have to think about
24 that. We haven't tapped the markets in about three
25 years, so I don't think it's had an effect. So I'm not

1 concluded its IPO in November of 1999 that it would be
2 better for Heftel if SBS was not successful in
3 launching an IPO?

4 A. Well, I think just as a general view
5 that -- well, kind of two points. One is that, you
6 know, it certainly improves the company and their
7 capital structure, which it -- the IPO certainly did.
8 And so I would say on that point, you know, it was good
9 for SBS.

10 Q. My question was: Did you think -- not
11 whether -- my second question was whether you thought
12 from HBC's perspective that it would be better for HBC
13 if SBS didn't have the access to capital that would
14 have come from launching a successful IPO?

15 A. Well, probably on a relative basis it's
16 not as good for HBC. I think they've really been able
17 to demonstrate with different securities their ability
18 to raise money. But, you know, the IPO was good for
19 them.

20 Q. It was good for SPS. **My** question is would
21 it have been better for Heftel, now HBC, if SBS hadn't
22 been able to raise the funds by launching an IPO?

23 A. Thinking back at this point in time --

24 Q. Yes.

25 A. -- if I were thinking -- would I rather

1 that you were first aware that SBS was contemplating
2 doing an initial public offering?

3 A. Probably the summer of '99.

4 Q. How did you become aware that SBS was
5 contemplating doing an IPO?

6 A. I don't know. I don't remember.

7 Q. Is a company trying to do an IPO a public
8 event?

9 A. It is not.

10 Q. So where do you think you got the
11 information? Do you think SBS told you that they were
12 planning on doing an IPO?

13 A. No.

14 Q. Do you think that SBS's investment bankers
15 told you that they were thinking about doing an IPO for
16 SBS?

17 A. Their investment bankers?

18 Q. **Yes.**

19 A. I don't know.

20 Q. **Did** -- did you have any discussions with
21 anyone at Lehman Brothers during 1999 that led you to
22 believe that SBS was thinking about doing an IPO in
23 which Lehman Brothers would be the lead underwriter?

24 A. Did I speak with Lehman? Hmm. No, I
25 don't think so.

1 Q. Did you speak with anyone at Alex Brown in
2 the summer of 1999 in which you were left with the
3 impression that Alex Brown was being considered to be a
4 co-manager of an SBS IPO?

5 A. Okay. Yes.

6 Q. And when did that happen?

7 A. I just want to make sure we're clear. I
8 might have missed something, so --

9 Q. No. The earlier question was about Lehman
10 Brothers?

11 A. Yeah.

12 Q. This is about Alex Brown.

13 A. Yeah. Sometime during the summer. I'm
14 not sure when.

15 Q. Who did you talk to?

16 A. I talked to Jeff Amling and Drew Marcus,
17 Mac and I did.

18 Q. And where -- where -- was this a
19 face-to-face meeting or telephone conference or what?

20 A. Telephone.

21 Q. And were you and Mr. Tichenor in Dallas?

22 A. We were.

23 Q. And where were Mr. Amling and Mr. Marcus?

24 A. I don't know. It was a long distance
25 call, I'm sure. They weren't in Dallas. Sorry.

1 Q. What -- did you call them, or did they
2 call you?

3 A. They called us.

4 Q. And what was the reason that they said
5 they had called you?

6 A. I recall the purpose of the call was that
7 they wanted to participate in the SBS IPO, and I think
8 Clear Channel had said no, and they were asking us, you
9 know, what our thoughts were on it.

10 Q. And when you say Clear Channel had said
11 no, is that --

12 A. I think that's right. I think that's
13 right.

14 Q. -- is that something they told you or
15 something you knew from Clear Channel?

16 A. I think I heard that from Alex Brown.

17 Q. Did --

18 A. I'm pretty sure.

19 Q. You heard it from Alex Brown in the course
20 of this telephone conversation with Amling and Marcus?

21 A. I think that's right.

22 Q. And what did Amling and Marcus tell you
23 about --

24 MR. DWYER: Do you mind if I open my
25 tie?

1 MR. CARLSON: I'm sorry?

2 MR. DWYER: Do you mind if I open my
3 tie?

4 MR. CARLSON: No.

5 THE WITNESS: I'm not offended.

6 Q. When did -- what did -- what did Amling
7 and or Marcus tell you about the conversation that they
8 had had with someone from Clear Channel?

9 A. Not much. You know, I don't recall the
10 entire conversation. I think that -- I think I've got
11 this right, that they -- they wanted to get our
12 thoughts on whether or not it was okay to -- to
13 participate in the IPO, and that was the reason for the
14 call.

15 Q. Did they tell you that someone from Clear
16 Channel had told them that they would not be able to do
17 that?

18 A. I don't know if they said it would not be,
19 but they were not -- I think -- and I think I'm right
20 on this -- they were not favorable on that.

21 Q. Did they say that they had called someone
22 from Clear Channel or that someone from Clear Channel
23 had call them on that subject?

24 A. Oh, I don't know.

25 Q. Did they say who they had spoken to at

1 Clear Channel?

2 A. Hmm. You know, they probably did. I'd
3 have to kind of think through. I would expect that
4 call would go into -- through Randall.

5 Q. Randall Mays?

6 A. Yeah, Randall Mays.

7 Q. He's the CFO of Clear Channel?

8 A. Yes.

9 Q. Yes?

10 A. Yes.

11 Q. So as you understood it, it was the
12 purpose of the Amling and Marcus call to you and
13 Mr. Tichenor to see if you would -- you would agree to
14 let them do the SBS IPO even though Clear Channel
15 didn't want them to do it?

16 A. They were asking our views and wanted to
17 know if it was okay with us to do it.

18 Q. Did they tell you what commitments they
19 had already made to SBS in connection with a potential
20 IPO?

21 A. No.

22 Q. Did you have any idea as to whether they
23 had already agreed to be part of the underwriting
24 syndicate?

25 A. I had not.

1 Q. Did you have any idea as to whether they
2 had already gone to due diligence meetings and reviewed
3 confidential information?

4 A. That I'm not sure if I knew. I don't
5 think I did know that they had already gone, because I
6 think -- I think I was pretty surprised that they had
7 done it.

8 Q. Surprised that they had done it when you
9 read it in the complaint?

10 A. No, after the fact. I'm trying to think
11 if I knew it in the meeting that they had gone down or
12 if I knew after the fact. I'm not quite sure I know
13 when.

14 Q. And that's because you expected that they
15 would get your permission before they participated?

16 A. Well, I would have -- given the fact that
17 they had had an understanding with Clear Channel that
18 they were not going to be in the deal and SBS, you
19 know, financing, I would have thought that they would
20 have, you know, asked first.

21 Q. Did you know at the time that they had
22 told SBS that it was all right for them to be in the
23 deal, that Clear Channel and HBC didn't have any
24 problem with that?

25 A. I did not know that.

1 Q. Have you learned that since then?

2 A. Not in those terms.

3 Q. Have you learned since then that they had
4 assured SBS that they could participate in the
5 underwriting?

6 A. I think this is -- I want to be careful
7 here because I don't want to misrepresent, but I think
8 this is the first I've heard that they said that we had
9 cleared it. Very surprised by that. I can't speak for
10 Clear Channel.

11 Q. Had you ever heard that Alex Brown had
12 told SBS that Clear Channel had cleared it?

13 A. Hmm. Can you ask that again? I want to
14 be clear I get it right.

15 Q. Right. My question is: Had you ever
16 heard -- have you ever heard before or after your call
17 with Amling and Marcus that Amling had told SBS or its
18 representatives that Clear Channel would have no
19 problem with their being a part of the SBS IPO?

20 A. You know, I'm not sure -- you know, if
21 you're talking about right then, I'm not sure that I
22 knew that, because the -- because they were asking us
23 if it was okay. I guess I'm a little surprised that
24 they would say one thing and then -- like that, because
25 that's a pretty -- I'm surprised. So I would have to

1 kind of think that through. I don't think so.

2 Q. Have you ever learned that SBS had asked
3 Alex Brown before they became involved whether their
4 prior work for Clear Channel or HBC would in the view
5 of Alex Brown prevent them from participating in the
6 SBS IPO?

7 A. I read that in the complaint.

8 Q. Had you -- before you read it in the
9 complaint, had you known that?

10 A. No.

11 Q. So Mr. Marcus and Mr. Amling didn't tell
12 you that at the time?

13 A. I -- that what?

14 Q. Well, did they tell you at the time that
15 they had gotten themselves -- they had gotten
16 themselves halfway into a project and now were asking
17 for permission?

18 A. That I'm not sure on because I'm not sure
19 that I knew that -- I'm trying to sequence this for
20 you, and I'm having a hard time, but I guess I'm -- I'm
21 still, as I step back, surprised that they would have
22 done that and not asked first. I'm surprised that they
23 would have gone down and stated something differently,
24 because there's no reason to do that.

25 Q. So let's go back to -- I want to go back

1 to the conversation that --

2 A. Uh-huh.

3 Q. -- occurred in the telephone call that
4 involved Amling and Marcus calling you and Tichenor.
5 How long did the call last?

6 A. I don't know. I can kind of guess.

7 Q. Was it a brief call?

8 A. Ten minutes maybe. Five, ten minutes.

9 Q. What did they -- what did they say to you?

10 A. Mac and I were on the call, and I think
11 they -- they wanted to see if we -- if it was okay with
12 us if they participated in this deal. And we told them
13 no, we did not want them to -- there was an
14 understanding there that they would not, and that would
15 affect our relationship.

16 Q. And when you say affect your relationship,
17 what -- what are the practical implications of that?

18 A. Well, they just -- what it means is that
19 we would not -- we would not have the same relationship
20 we had, which was a pretty close one with Alex Brown.
21 Alex Brown's been the lead underwriter for almost every
22 IPO of Heftel Broadcasting beginning with the first
23 one. I think Jeff Amling at one point was on the
24 board. So it would alter it.

25 Q. So they had previously made significant

1 fees from Heftel investment banking work?

2 A. In relationship to what?

3 Q. I'm sorry?

4 A. Significant in what way? I mean, we're a
5 small customer in a big pond, I think.

6 Q. Had they made more than a million dollars
7 in fees as a result of their work for you in the past?

8 A. Kind of cumulative?

9 Q. Yes.

10 A. Oh, I would think so.

11 Q. More than 10 million?

12 A. I don't know if I've ever calculated the
13 total number. Give me a second. Let me just think
14 this through. Can I just give you a range?

15 Q. Yeah. I'm trying to get a ballpark here.

16 A. A ballpark. And from what time period?

17 Q. Well, prior to the conversation --

18 A. Okay.

19 Q. -- how much had Alex Brown made off of
20 Tichenor, old Heftel or new Heftel?

21 A. Probably kind of -- I'll just give you 4
22 to 10.

23 Q. \$4 to \$10 million?

24 A. Uh-huh.

25 Q. And since that call, has Alex Brown

1 continued to do work for Heftel or HBC?

2 A. Yes.

3 Q. And since that call, how much in fees has
4 Alex Brown made for its work for Heftel or HBC?

5 A. Probably about -- I'm guessing, and I
6 apologize for that -- let's say 2 to 4.

7 Q. \$2 to \$4 million?

8 A. Uh-huh.

9 Q. Yes?

10 A. I think that is a range and is a ballpark.

11 Q. And what you were saying when you said it
12 would affect your relationship is that they would be
13 less likely to continue to get underwriting or
14 investment banking fees from -- from HBC if they went
15 ahead and did the SBS IPO?

16 A. That's right.

17 Q. Did you tell them whether you thought it
18 would also affect their relationship with Clear Channel
19 if they went forth with the SBS IPO?

20 A. I don't recall that being part of it.

21 Q. Did they -- did they tell you that they
22 had already been told that by Clear Channel?

23 A. I don't think so.

24 Q. Did they tell you that Clear Channel had
25 said they wouldn't agree to the deal, to their

1 participating in the SBS IPO deal?

2 MR. CARLSON: Objection, repetitious.

3 THE WITNESS: Does that mean I --

4 Q. No, that means you can still answer.

5 A. I can still answer. Okay.

6 Again, I think -- the best I can **recall**, I
7 think they didn't want to -- Clear Channel didn't want
8 them in the deal, so --

9 Q. But you don't remember whether they said
10 that Clear Channel had told them it would affect their
11 relationship?

12 A. With Clear Channel?

13 Q. Right.

14 A. No, I don't think so. I wasn't focused on
15 that, so --

16 Q. Prior to that call, had Alex Brown done
17 work for Clear Channel and received investment banking
18 fees?

19 A. You're asking me now about Clear
20 Channel's?

21 Q. Yes.

22 A. They're one of their bankers, and I think
23 they probably have.

24 Q. And since that -- since that call, have
25 they received fees for work they've done for Clear

1 Channel?

2 A. You know, it's probably best to ask them.

3 I would assume that they've kept that relationship.

4 Q. Do you have anything that would place the
5 date of this call more precisely than occurring in the
6 summer of 1999?

7 A. No.

8 Q. Did you write any memo to the files, or
9 did Mr. Tichenor?

10 A. I don't think so.

11 Q. Did you send any e-mails or notes or faxes
12 to Clear Channel about this?

13 A. I don't think so.

14 Q. Did either you or Mr. Tichenor call
15 anybody at Clear Channel about this?

16 A. I did not.

17 Q. And you don't know whether Mr. Tichenor
18 did?

19 A. No. You'd have to ask him.

20 Q. Did you get any calls from anyone at Clear
21 Channel concerning the subject of -- of Alex Brown's
22 participation in the SBS IPO?

23 A. Did I?

24 Q. Yes.

25 A. In -- in -- hmm. In that time frame?

1 Q. Well, my -- part of my question is whether
2 you got a heads-up before the call from Alex Brown.

3 A. Oh, that's a different question, I think.

4 Q. Yeah.

5 A. I don't think so.

6 Q. Did you get a call -- did you have any
7 communications after the call with Alex Brown with
8 Clear Channel?

9 A. Did I? Ask that again, please. I
10 interrupted you as you were speaking.

11 Q. Did you have any communications with Clear
12 Channel about the Alex Brown possible participation in
13 the SBS IPO after the -- after the call you had with
14 Alex Brown?

15 A. Did I have a call with.

16 Q. I said communications.

17 A. Communications with Clear Channel about
18 this --

19 Q. After --

20 A. -- after the IPO?

21 Q. No, after the Alex Brown call.

22 A. You know, I'm not sure. After would we
23 have called them or they have called us or something
24 about their participation. You know, I don't recall,
25 but I would really like to think that question through

1 and see if I can't recall something for you.

2 Q. Okay. I was just asking because it seemed
3 like --

4 A. Yeah.

5 Q. -- a logical thing to do.

6 A. I understand the question.

7 MR. CARLSON: Object to the form.

8 A. I understand the question.

9 Q. Do you want to -- should we leave a blank
10 here, and if you can think about it later, fill in an
11 answer? It doesn't have to be today or tomorrow. You
12 can --

13 A. That's fine.

14 Q. -- fill it in.

15 A. -----
16 -----

17 Q. In this phone call did **Mr.** Amling and
18 Mr. Marcus tell you what they were going to do with
19 respect to participation in the SBS IPO?

20 A. I don't know if -- I don't remember if
21 they came to a conclusion at that call or if they would
22 have maybe talked to Mac later.

23 Q. Are you aware of any -- so staying with
24 the call --

25 A. Uh-huh.